

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Chee Thao Yang

Applicant:	Housing Authority of the County of Los Angeles
Allocation Amount Requested:	Tax-exempt: \$11,000,000
Project Information:	Name: Ashley Willowbrook Project Address: 11731 - 11739 Holmes Avenue Project City, County, Zip Code: Los Angeles, Los Angeles, 90059
Project Sponsor Information:	Name: Ashley Willowbrook, LP (Ashley Willowbrook GP, LLC; Coalition for Responsible Community Development) Principals: Egbert Perry for Ashley Willowbrook GP, LLC; Mark Wilson for Coalition for Responsible Community Development Property Management Company: John Stewart Company
Project Financing Information:	Bond Counsel: Kutak Rock LLP Private Placement Purchaser: Citibank, N.A. Cash Flow Permanent Bond: Not Applicable Public Sale: Not Applicable Underwriter: Not Applicable Credit Enhancement Provider: Not Applicable Rating: Not Applicable TEFRA Noticing Date: July 7, 2018 TEFRA Adoption Date: September 18, 2018
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 61 Manager's Units: 1 Unrestricted Type: New Construction Population Served: Family/Special Needs

Ashley Willowbrook is a new construction project located in Los Angeles on a 1.45-acre site. The project consists of 60 restricted rental units and 1 unrestricted manager unit. The project will have 27 studio units, 9 one-bedroom units, 20 two-bedroom units and 5 three-bedroom units. The building will be three stories and Type V construction. Common amenities include a lobby, a community room, manager's office, a gym, a laundry room, a garden, play area, barbeque area with tables, a dog run, and 30 long-term bicycle parking. Each unit will have refrigerator, stove/oven, dishwasher (except studio units) and patio/balcony (except studio units). There are 64 parking spaces provided. The project will be pursuing the Green Point Rated Program. The construction is expected to begin in October 2019 and be completed in October 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
75% (45 units) restricted to 50% or less of area median income households.
25% (15 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2 & 3 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	20,836,892	
Estimated Hard Costs per Unit:	\$	183,708	(\$11,206,176 /61 units including mgr. unit)
Estimated per Unit Cost:	\$	341,588	(\$20,836,892 /61 units including mgr. unit)
Allocation per Unit:	\$	180,328	(\$11,000,000 /61 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	183,333	(\$11,000,000 /60 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 6,239,000
LIH Tax Credit Equity	\$ 1,167,747	\$ 5,838,733
Deferred Developer Fee	\$ 0	\$ 1,563,734
Deferred Costs	\$ 2,689,145	\$ 0
County of LA	\$ 5,980,000	\$ 5,980,000
FHLB AHP	\$ 0	\$ 900,000
County of LA - Land Value Writedown	\$ 0	\$ 315,425
Total Sources	\$ 20,836,892	\$ 20,836,892

Uses of Funds:	
Land Cost/Acquisition	\$ 915,425
New Construction	\$ 12,352,385
Contractor Overhead & Profit	\$ 525,000
Architectural Fees	\$ 305,000
Survey and Engineering	\$ 217,500
Construction Interest and Fees	\$ 1,320,462
Permanent Financing	\$ 39,701
Legal Fees	\$ 215,000
Reserves	\$ 435,522
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,180,191
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 891,200
Developer Costs	\$ 2,429,506
Total Uses	\$ 20,836,892

Analyst Comments:

None

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points:

75 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$11,000,000 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	75